

Commerce Committee Public Hearing
Tuesday, February 21, 2012

Testimony of State Senator Carlo Leone in support of S.B. 1
AN ACT CONCERNING CONNECTICUT JOBS AND THE ECONOMY.

Good morning Senator LeBeau, Rep. Berger and the distinguished members of the Commerce Committee. For the record, I am Sen. Leone of the 27th Senate district representing the towns of Stamford and Darien. I am also the Co-Chairman of the Select Committee on Veterans' Affairs. I wanted to thank the committee for raising this bill and speak in strong support on the portions that directly affect veterans.

The state, in our recently passed jobs bill, increased the state credit for the unemployed, veterans and the disabled to \$900/hire. It went into effect on January 1, 2012, and is applicable to income or taxable years commencing on or after January 1, 2012. Currently, the federal government has two programs: A new Returning Heroes Tax Credit of up to \$5,600 for veterans who have been unemployed six months or longer, and a Wounded Warriors Tax Credit of up to \$9,600 that will increase the existing tax credit for firms that hire veterans with service-connected disabilities who have been unemployed six months or longer. These tax credits apply to individuals who begin work for the employer after the date of the bill's enactment, which was 11/21/2011. While this is a good start I believe we must do more.

The U.S. drawdown from our conflicts abroad is currently underway. The estimated numbers of our military personnel who will be coming home and discharged from active service will number close to 250,000 in the coming year and up to 1 million in the next 24 to 36 months. We must prepare our state to handle this oncoming wave of highly trained and disciplined personnel and welcome them into our workforce. If we do not, then we will be faced with even higher unemployment, along with the need for higher social services due to the inability for them to care for themselves.

This bill helps to address a significant need that affects the large veterans' population of our state. According to U.S. Bureau of Labor Statistics employment data, while the job market is slowly improving for most Americans, it's moving in the opposite direction for Gulf War II vets (defined by the BLS as those on active duty since 2001). The youngest of veterans, aged 18 to 24, had a 30.4 percent jobless rate in October 2011, way up from 18.4 percent a year earlier. Non-veterans of the same age improved, to 15.3 percent from 16.9 percent. For some groups, the numbers can look a good deal worse: for black veterans aged 18-24, the unemployment rate is a striking 48 percent.

As you know, this bill would create within the Department of Labor an Unemployed Armed Forces Member Subsidized Training and Employment program. This program would create a new structure of incentives that would bolster the hiring of veterans into existing jobs. The incentives would help subsidize the wage costs of the newly hired veterans in a tiered structure. The incentives phase in the cost of the hire. For the first full calendar month a new employee is employed, one hundred per cent of the wage of such

new employee, exclusive of any benefits, not to exceed twenty dollars per hour, is granted back to the business. For the second and third full calendar months, seventy-five per cent, for the fourth and fifth full calendar months, fifty per cent of such amount; and for the sixth full calendar month, twenty-five per cent of such amount. A grant shall be cancelled as of the date the new employee leaves employment with the eligible business.

Thank you for your consideration of this important piece of legislation and for hearing my testimony today. I believe that helping a veteran find a job and helping to make it easier for those that wish to hire them is the least we can do. After all, it is from their sacrifices that we are sitting in this room today and participating in free democracy.

Respectfully,

Carlo Leone
State Senator
Co-Chairman
Select Committee on Veterans' Affairs